



Voluntary Report - Voluntary - Public Distribution

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# Report Name: Biweekly Price and Policy Update\_Week of January 29\_2023

Country: Bangladesh

Post: Dhaka

**Report Category:** Grain and Feed, Oilseeds and Products, Sugar, Agricultural Situation, Climate Change/Global Warming/Food Security

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## **Report Highlights:**

This is a biweekly report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

## **Rice Prices Decline**

After holding steady for the past few months, rice prices declined slightly during the week of January 29, 2023. The coarse rice price dropped to BDT 50 (\$0.48) per kilogram, down about 4 percent from the previous week, as the newly harvested *Aman* rice increased supply in the local market (Figure 1). The price of medium quality rice also dropped 4 percent from the previous week to BDT 58 (\$0.55) per kilogram, while the price of high-quality rice remained unchanged at BDT 75 (\$0.71) per kilogram.



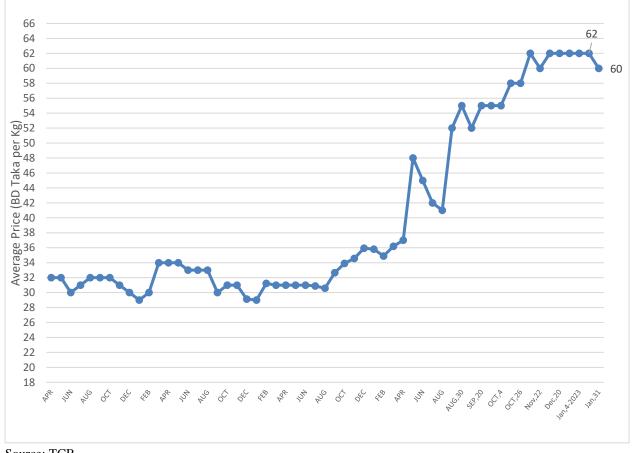
Figure 1: Bangladesh – Monthly Coarse Rice Average Price (2018-2023)

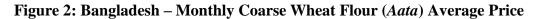
Source: Trading Corporation of Bangladesh (TCB) Note: Exchange Rate USD \$1.00 = BDT 105.0

## Wheat Flour (Aata and Maida) Prices Drop Slightly, but Remain High

This week, the prices of all types of unpacked wheat flour fell slightly, though they still remain high. According to the TCB, the price of unpacked coarse wheat flour (*aata*) decreased 3 percent from the previous week to BDT 60 (\$0.57) per kilogram (Figure 2). The price of unpacked fine quality wheat flour (*maida*) also dropped 3 percent to BDT 70 (\$0.67) per kilogram. However, the prices of packed *atta* and *maida* remained at BDT 75 (\$0.71) per kilogram and BDT 80 (\$0.76) per kilogram, respectively, the same as the previous week.

Since the Russian invasion of Ukraine in February 2022, all types of wheat flour prices have been rising due to supply chain disruptions and higher international wheat prices. India's wheat export ban on May 13, 2022 and the appreciation of U.S. dollar against the Bangladeshi taka aggravated the situation further, as most wheat is imported. At present, the prices of all types of wheat flour are 40-66 percent higher as compared to the same period last year.





Source: TCB

## Wheat and Rice Stocks Keep Rising

As of January 30, 2023, wheat stocks in public granaries stood at 380,000 MT, slightly up from the previous week (Figure 3).

Rice stocks in public granaries have been rising since November 2022 and reached 1.6 million MT on January 30, 2023, up about 5 percent from January 17, 2023. The Government of Bangladesh (GoB) started its *aman* season rice procurement program for public granaries on November 10, 2022, which led to the increase. In addition, the GoB is importing rice from neighboring countries under government-to-government agreements.

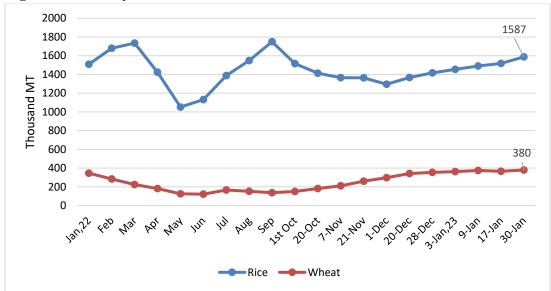


Figure 3: Monthly Stocks of Rice and Wheat in Public Granaries in 2022

Source: Ministry of Food

#### **Edible Oil Prices Remain Steady**

This week, the price of unbottled soybean oil remained at BDT 170 (\$1.62) per liter, the same as the previous week. The price of unbottled palm oil rose about 2 percent to BDT 125 (\$1.19) per liter (Figure 4).

Bottled soybean oil and palm oil prices remained at BDT 187 (\$1.78) and BDT 140 (\$1.33) per liter, respectively, equal to the previous week.

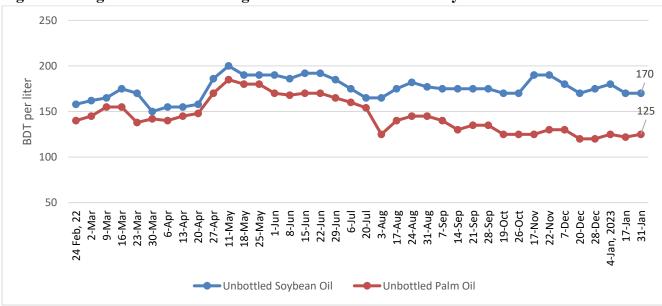


Figure 4: Bangladesh – 2022 Average Retail Price of Unbottled Soybean Oil and Palm Oil

Source: TCB

# **Prices of Other Commodities**

- Average retail price of sugar increased to BDT 120 (\$1.14) per kilogram, up more than 4 percent from the previous week.
- Average retail price of lentils remained at BDT 140 (\$1.33) per kilogram, the same as last week.
- Average beef prices remained at BDT 700 (\$6.80) per kilogram but are up about 17 percent from the same period last year.
- Average price of eggs increased to BDT 135 (\$1.29) per dozen, up abound 10 percent from the previous week.

## **Further Background**

Agricultural and food commodity prices first began rising in September 2021 due to the COVID-19 pandemic. In January 2023, prices were still high, exacerbated by the Russian invasion of Ukraine, resulting supply disruptions, the appreciation of the U.S. dollar, and high inflation. Price volatility is affecting the food security of poor and middle-income consumers in both urban and rural areas.

Bangladesh depends on India for its rice and wheat imports, followed by Canada, Russia, Ukraine, and Australia. Combined, Russia and Ukraine account for approximately 25 percent of Bangladesh's total wheat imports. Due to India's ban on wheat exports since May 2022 and the Russian invasion of Ukraine, Bangladesh is only able to import half of its monthly required wheat from alternative sources, resulting in high domestic wheat flour prices. In addition, Bangladesh is now facing a foreign currency crisis and according to contacts, many banks have stopped opening some letters of credit, including for commodity imports. This has led to the short supply of some staple goods in the market.

#### Attachments:

No Attachments.